



August 2, 2019

To Whom It May Concern:

The Department of Environmental Quality (DEQ) is accepting public comments specific to a new underground storage tank to be installed near Big Sky, Montana at the proposed Spanish Peaks Lodge.

DEQ has prepared the following Environmental Assessment (EA) as required by the Montana Environmental Policy Act (sections ARM 17.4.607(2) and ARM 17.4.609(2)). This project involves installing one 4,000-gallon single-compartment Xerxes Fiberglass Reinforced Plastic (FRP) double-walled Underground Storage Tank (UST) containing Diesel fuel. The UST system will utilize secondarily contained OmegaFlex DoubleTrac double-walled flex pipe. The proposed project will add one (1) new UST system to the existing Spanish Peaks Lodge, located at 995 Settlement Trail, Big Sky, MT 59716.

Specific installation plans include the following materials and monitoring systems: **Tank(s):** This project involves installing the following tank: 4,000-gallon Diesel. The new UST will be Xerxes Fiberglass Reinforced Plastic (FRP) double-walled tank system. The tank will be utilized by Spanish Peaks Lodge as an emergency generator tank system. **Piping:** All product piping associated with this project will be OmegaFlex DoubleTrac secondary contained double-walled flexible pipe. Approximately 100 feet of double-walled OmegaFlex DoubleTrac piping will be utilized in this project. **Sumps:** Xerxes fiberglass round tank containment sumps will be installed for both tank-top sumps. OPW Retail Fueling FRP two-piece transition containment sumps will be installed to allow the piping to transition from underground to above ground. The tank and piping system will be continuously monitored. Monitoring will be accomplished via internal tank probes, interstitial tank sensors, as well as continuous sensor monitoring in all containment sumps and electronic line leak detection with programmed 0.2 gph shutdown rate for the piping run. A Omntec Proteus automatic tank gauge (ATG) will continuously monitor all operational parameters and will control the fuel pumping system.

DEQ prepares EAs to examine and document the effects of a proposed action on the quality of the human and physical environment. After a ten-day public comment period, DEQ will consider the substantive comments received in response the EA and proceed with one of the following actions: a) determine that an Environmental Impact Statement (EIS) is necessary; b) determine that the EA did not adequately reflect issues raised by the proposed action and issue a revised EA; or c) determine that further environmental analysis is not necessary and make a final decision on the proposed action with any modification deemed necessary as a result of analysis in the EA and public comment.

If you care to comment on this proposed project or the attached EA, please write or email the Waste Management and Remediation Division. Comments must be in writing and must be received by August 15, 2019. Our email address is degustprogram@mt.gov and our mailing address is DEQ/UST, PO Box 200901, Helena, MT 59620-0901.

Sincerely,

Seth Hendrix, Environmental Science Specialist
Underground Storage Tank Section
Waste and Underground Tank Management Bureau
Enc: Environmental Assessment

O/O NAME: SP Hotel Owner, LLP	FACILITY NO: 60-15334
PERMIT NO: 19-0159	DATE OF APPLICATION: May 02, 2019
PERSON PREPARING EA: Seth Hendrix	COUNTY: Gallatin
LOCATION: 995 Settlement Trail, Big Sky, MT 59716	
FACILITY NAME: Spanish Peaks Lodge	EA COMPLETED: 8/02/2019
<p>DESCRIPTION OF PROPOSED ACTION: Tank(s): This project involves installing the following tank: 4,000-gallon Diesel. The new UST will be Xerxes Fiberglass Reinforced Plastic (FRP) double-walled tank system. The tank will be utilized by Spanish Peaks Lodge as an emergency generator tank system. Piping: All product piping associated with this project will be OmegaFlex DoubleTrac secondary contained double-walled flexible pipe. Approximately 100 feet of double-walled OmegaFlex DoubleTrac piping will be utilized in this project. Sumps: Xerxes fiberglass round tank containment sumps will be installed for both tank-top sumps. OPW Retail Fueling FRP two-piece transition containment sumps will be installed to allow the piping to transition from underground to above ground. The tank and piping system will be continuously monitored. Monitoring will be accomplished via internal tank probes, interstitial tank sensors, as well as continuous sensor monitoring in all containment sumps and electronic line leak detection with programmed 0.2 gph shutdown rate for the piping run. A Omntec Proteus automatic tank gauge (ATG) will continuously monitor all operational parameters and will control the fuel pumping system.</p> <p>Product(s) to be stored: Diesel</p>	
<p>DESCRIPTION OF THE BENEFITS AND PURPOSE OF THE PROPOSED ACTION: Purpose is to install one (1) new petroleum UST system for storing diesel fuel at Spanish Peaks Lodge, creating an emergency generator/life safety generator for the new 150 room ultra-luxury hotel resort. The benefits include life safety emergency power generation if for power outages.</p>	

- A: Significant unavoidable impacts
B: Potential significant impacts mitigated based upon license conditions
C: Insignificant as proposed

PHYSICAL ENVIRONMENT	POTENTIAL IMPACTS					
	A	B	C	LONG TERM	SHORT TERM	AMPLIFICATION
1. TOPOGRAPHY: Are there unusual geologic features? Will the surface features be changed?			X			The proposed site is currently a relatively mountainous area and bare lot located at 995 Settlement Trail, Big Sky, Montana. The site is currently a 9.4-acre resort lot with ongoing construction activities working towards completion of a 150 room ultra-luxury hotel resort, and is located 4.5 miles below Lone Mountain in Big Sky, Montana. Gallatin County Zoning office lists this parcel as "Spanish Peaks Resort Subdivision, Phase 2". It is reported that a large amount of soil has already been removed from this parcel of land. Construction crews have moved a large amount of native soils down to the Gallatin Valley to make room for the luxury lodge projects. The Land Use Permit

PHYSICAL ENVIRONMENT	POTENTIAL IMPACTS					
	A	B	C	LONG TERM	SHORT TERM	AMPLIFICATION
						<p>(Permit # L2019-120) for 995 Settlement Trail (Subject Property) was approved by Gallatin County on 2/27/2019. The Land Use permit has been issued by Gallatin County and includes a 2,800-foot vertical ski lift accessing the Big Sky Ski Area, an 18-hole golf course, looped multiple use interior trail system, resort and employee housing for 30 units, 100 room overnight guest lodge, a combined golf clubhouse and ski lodge, a central location for community service facilities and buildings, retail shops and services, condominiums, chalets, and half acre homesites of 345 units. The combined total dwelling units is permitted for 698 units. The luxury hotel is currently being built. A septic system has been approved by Big Sky County Water & Sewer. A Sewer/Water Connection Permit has been approved by Big Sky County Water & Sewer. A traffic impact study shows that the proposed development will generate less than 500 average trips per day. A parking analysis study has been prepared. All refuse for this project is reported to be stored in animal-proof containers. It is reported that no naturally occurring slope of more than 15 percent exists on this site. There are no known or reported unusual geologic features. The tanks and all of the associated product piping will be buried underground, while appurtenant equipment is above ground. The general topography will not change significantly from the excavation activities that have already been completed. Surface features will be consistent with an emergency generator/life safety generator facility.</p>

2. <u>GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE</u> : Are fragile, compactable or unstable soils present? Are there special reclamation considerations?			X			<p>The Land Use Permit (Permit # L2019-120) for 995 Settlement Trail (Subject Property) was approved by Gallatin County on 2/27/2019. The luxury hotel is currently being built. It is reported that no naturally occurring slope in excess of 15 percent exists on this site. There are no known special reclamation considerations for the</p>
--	--	--	---	--	--	--

						project site, nor were any fragile or unstable soils identified to the reviewer. Soil disturbances and storm water runoff during construction are regulated under MPDES Authorization MTR106184 (General Permit for Storm Water Discharges Associated with Construction Activity).
3. <u>WATER QUALITY, QUANTITY AND DISTRIBUTION</u> : Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?		X				<p>Important water resources are present at the proposed location. There are approximately 10 private water wells located within 1 mile of the proposed site. The West Fork Gallatin River is located within 1.4 miles of the proposed site. The Gallatin River is located with 5.7 miles of the proposed site.</p> <p>There is no significant surface water within 1500 feet of the proposed underground storage tank installation. The proposed site lies within the Gallatin River watershed. Soil disturbances and storm water runoff during construction are regulated under MPDES Authorization MTR106184 (General Permit for Storm Water Discharges Associated with Construction Activity).</p> <p>Protection of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality is mitigated by secondarily contained non-corroding underground tanks/piping and continuous system monitoring.</p> <p>Proper operation of this system would significantly decrease the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, and the degradation of water quality. Secondary containment and leak detection systems serve to mitigate the potential impacts by immediately reducing the amount of fuel available for release to the environment and by making early detection of releases possible.</p>
4. <u>AIR QUALITY</u> : Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?			X			<p>Petroleum vapors will be mitigated by natural air currents, submerged fill pipes, stage-one vapor recovery system and vapory recovery vent pipes will control hydrocarbon vapors.</p> <p>The proposed project site is not located in a Class I airshed. The closest Class I airshed is located at least 24 miles away from the project site (Yellowstone National Park).</p>

5.	<u>DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:</u> Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?		X			This project may use existing environmental resources in the local area. Reported resources include native rocks. There are no other known environmental resources or nearby activities identified to the reviewer that may be impacted.
6.	<u>IMPACTS ON OTHER ENVIRONMENTAL RESOURCES:</u> Are there other studies, plans or projects on this tract?		X			Montana DEQ Public Water & Subdivisions Bureau has approved the Spanish Peaks Resort Public Water system, PWSID # MT0004588. Montana DEQ Water Quality Division has approved a water main, 3 new fire hydrants, 1 blow-off hydrant and appurtenances, specified by Morrison Maierle Inc. of Bozeman. The public wastewater system serving all lots will be provided by extension and service connection to the Big Sky County Water and Sewer District. Land Use Permit (Permit # L2019-120) for 995 Settlement Trail (Subject Property) was approved by Gallatin County on 2/27/2019. The Land Use permit has been issued by Gallatin County and includes a 2,800-foot vertical ski lift accessing the Big Sky Ski Area, an 18-hole golf course, looped multiple use interior trail system, resort and employee housing for 30 units, 100 room overnight guest lodge, a combined golf clubhouse and ski lodge, a central location for community service facilities and buildings, retail shops and services, condominiums, chalets, and half acre homesites of 345 units. The combined total dwelling units is permitted for 698 units. The luxury hotel is currently being built. A septic system has been approved by Big Sky County Water & Sewer. A Sewer/Water Connection Permit has been approved by Big Sky County Water & Sewer. A traffic impact study shows that the proposed development will generate less than 500 average trips per day. A parking analysis study has been prepared. All refuse for this project is reported to be stored in animal-proof containers. It is reported that no naturally occurring slope of more than 15 percent exists on this site. There are no other known environmental studies or projects on this land.

7. <u>TERRESTRIAL, AVIAN, AND AQUATIC LIFE AND HABITATS</u> : Is there substantial use of the area by important wildlife, birds or fish?			X			No known use of this project site by important wildlife, birds, or fish has been identified to the reviewer. The project site is not in the core, general, or connective sage grouse habitat areas as designated by the Montana Sage Grouse Habitat Conservation Program. There are no listed Critical Habitat areas located within 6.0 miles of the proposed site. Critical Canada Lynx habitat is located 6.0 miles away from the proposed site. Critical Bull Trout habitat is located 94 miles away from the proposed site. The site is currently conducting ongoing construction activities.
8. <u>VEGETATION COVER, QUANTITY AND QUALITY</u> : Will vegetative communities be permanently altered? Are any rare plants or cover types present?			X			Montana Cadastral lists this property, which is owned by SP Hotel Owner LLP, as Property Type VAC_R- Vacant Land-Rural. The location currently has numerous hotel properties located around the vicinity and large-scale ski operations businesses in the vicinity. Big Sky, Moonlight Basin, and the Yellowstone Club all have private and public resort facilities located within 5 miles of this location. No rare plants or cover types are reported to this reviewer. The site is currently conducting ongoing construction activities.
9. <u>UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES</u> : Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Any species of special concern?			X			The project site is not in the core, general, or connective sage grouse habitat areas as designated by the Montana Sage Grouse Habitat Conservation Program. There are five endangered species listed for Gallatin County: Ute Ladies' Tresses, Canada Lynx, Grizzly Bear, Wolverine, and Whitebark Pine. There are 54 animal species of concern and 39 plant species of concern identified in Gallatin County. There are Riverine Wetland Habitats located within 1.5 miles of the project site. The site is currently conducting ongoing construction activities.
10. <u>HISTORICAL AND ARCHEOLOGICAL SITE</u> : Are any historical, archeological or paleontological resources present?			X			The National Register of Historic Places lists 105 National Historic Landmarks in Silver Bow County. There are no listed structures at the project site. There are no known archeological or paleontological resources reported to the reviewer.

11. <u>AESTHETICS</u> : Is the project on a prominent topographical feature? Will it be visible from		X				Spanish Peaks Lodge luxury hotel resort will be visible from a large portion of the resort area around Big Sky, and it will be in a prominent
--	--	---	--	--	--	---

populated or scenic areas? Will there be excessive noise, light or odors?						mountain area. It is reported that the hotel will have 150 guestrooms and suites and 39 Montage Residences. Resort amenities will include a restaurant, lobby bar, lounge, market, pub and recreation room with bowling alley, indoor lap pool, family swimming pool, fitness center, spa, ski lockers and skier services, and meeting and event space. The resort will offer ski-in, ski-out access to Big Sky Resort skiing and access to Spanish Peaks Mountain Clubs 18-hole Tom Weiskopf-designed golf course. The proposed project, (underground storage tank installation) storage tank and piping will be buried underground. Appurtenant above ground equipment will be visible, but is consistent with the existing character of the adjacent commercial resort rural land properties. Neighboring existing resorts include other Spanish Peak resort hotels, Yellowstone Club private luxury community, multiple golf courses, multiple ski resorts, and numerous resort recreation options.
12. <u>AGRICULTURE</u> : Will grazing lands, irrigation waters or crop production be affected?			X			The property's 9.39-acre vacant land rural status will change to commercial resort property. No significant impacts to agricultural lands are anticipated by this project. Impacts to wildlife grazing opportunities has already occurred due to the excavation activities completed on this site during preparations for building a luxury hotel resort.
HUMAN ENVIRONMENT						
1. <u>SOCIAL STRUCTURES AND MORES</u> : Is some disruption of native or traditional lifestyles or communities possible?		X				It is not anticipated that the project will disrupt native or traditional lifestyles or communities.
2. <u>CULTURAL UNIQUENESS AND DIVERSITY</u> : Will the action cause a shift in some unique quality of the area?			X			It is not anticipated that the project will cause a shift in any cultural uniqueness and diversity of the area.
3. <u>DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING</u> : Will the project add to the population and require additional housing?			X			It is not anticipated that the project (underground tank installation) will add to the population or require additional housing. The project result (Spanish Peaks Lodge) has a very large potential to add to the population and may require additional housing. This facility has plans to hire a large number of employees soon.
4. <u>HUMAN HEALTH & SAFETY</u> : Will this project add to health and safety risks in the area?		X				It is anticipated that natural air currents and tank vents will dissipate hydrocarbon vapors to a safe level. Leak detection equipment is designed

						<p>to detect releases before serious health or safety problems occur.</p> <p>Proper operation of leak detection systems and operating requirements mitigate potential risks by making early detection of releases possible and by immediately reducing the amount of fuel available to be released into the environment, where it could impact health and human safety.</p>
--	--	--	--	--	--	---

5. <u>COMMUNITY & PERSONAL INCOME</u> : Will the facility generate or degrade income?		X				<p>The project result (Spanish Peaks Lodge ultra-luxury hotel resort) is anticipated to have a very high potential to generate community and personal income in the local area. Multiple jobs will be created with the project result.</p>
6. <u>QUANTITY AND DISTRIBUTION OF EMPLOYMENT</u> : Will the project create, move or eliminate jobs? If so, estimate jobs.		X				<p>It is not anticipated that this underground storage tank installation project will create or eliminate permanent jobs. However, the project result (Spanish Peaks Lodge ultra-luxury hotel resort) is reported to have the potential to create 300 construction jobs for a three-year period and provide more than 400 full time or part time positions once the resort is operational. During the underground storage tank construction of the facility, there will be minimal temporary jobs created. 400 permanent full time or part time jobs will be a significant increase in economy and employment opportunities for the unincorporated community of Big Sky and outlying areas.</p>
7. <u>LOCAL AND STATE TAX BASE REVENUES</u> : Will the project create or eliminate tax revenue?		X				<p>It is anticipated that the Spanish Peaks Lodge ultra-luxury hotel resort associated with this proposal will generate a large amount of additional local and state tax revenue.</p>
8. <u>DEMAND FOR GOVERNMENT SERVICES</u> : Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc.) be needed?		X				<p>It is anticipated that the result of this proposed project (Spanish Peaks Lodge luxury resort) will add to the local traffic flow around Big Sky Resort and Settlement Trail. An increase in law enforcement activities (increased calls and routine patrols) in the area may be necessary.</p>
9. <u>INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION</u> : Will the project add to or alter these activities?			X			<p>It is not anticipated that this underground storage tank installation will have any significant impacts to adjacent commercial or agricultural activities that are related to this project.</p>

<p>10. <u>ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:</u> Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?</p>			X		<p>Designated USFS National Forest recreational property is located within 3.6 miles of the project site, but is not accessed through the project location. Gallatin County zones a significant area in and around this project site, as resort property. Numerous recreation activities are associated with this area of Big Sky, including one on the largest ski areas in the United States. Numerous resort options and recreation activities exist in the Big Sky resort area including skiing, mountain biking, golfing, hiking, fishing, jogging, kayaking, rafting, and much more. No designated government recreational properties are located within the project area. It is anticipated that this project site has multiple options private/commercial recreational potential.</p>
<p>11. <u>AESTHETICS:</u> Is the project on a prominent topographical feature? Will it be visible from populated or scenic areas? Will there be excessive noise, light or odors?</p>			X		<p>Spanish Peaks Lodge luxury hotel resort will be visible from a large portion of the resort area around Big Sky and it will be located in a prominent mountain area. It is reported that the hotel will have 150 guestrooms and suites and 39 Montage Residences. Resort amenities will include a restaurant, lobby bar, lounge, market, pub and recreation room with bowling alley, indoor lap pool, family swimming pool, fitness center, spa, ski lockers and skier services, and meeting and event space. The resort will offer ski-in, ski-out access to Big Sky Resort skiing and access to Spanish Peaks Mountain Clubs 18-hole Tom Weiskopf-designed golf course. The proposed underground storage tank project will result in a buried underground storage tank and piping that will not be visible above ground. Appurtenant above ground equipment will be visible. It is not anticipated that this project will change the aesthetics of the area significantly. The result of the project (Spanish Peaks Lodge luxury hotel resort) is consistent with the aesthetics of other commercial resort properties in the area.</p>

12. <u>LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:</u> Are there state, county, city, USFS, BLM, tribal, etc., zoning or management plans in effect?			X			<p>Montana DEQ Public Water & Subdivisions Bureau has approved the Spanish Peaks Resort Public Water system, PWSID # MT0004588. Montana DEQ Water Quality Division has approved a water main, 3 new fire hydrants, 1 blow-off hydrant and appurtenances, specified by Morrison Maierle Inc. of Bozeman. The public wastewater system serving all lots will be provided by extension and service connection to the Big Sky County Water and Sewer District. Land Use Permit (Permit # L2019-120) for 995 Settlement Trail (Subject Property) was approved by Gallatin County on 2/27/2019. The Land Use permit has been issued by Gallatin County and includes a 2,800-foot vertical ski lift accessing the Big Sky Ski Area, an 18-hole golf course, looped multiple use interior trail system, resort and employee housing for 30 units, 100 room overnight guest lodge, a combined golf clubhouse and ski lodge, a central location for community service facilities and buildings, retail shops and services, condominiums, chalets, and half acre homesites of 345 units. The combined total dwelling units is permitted for 698 units. The luxury hotel is currently being built. A septic system has been approved by Big Sky County Water & Sewer. A Sewer/Water Connection Permit has been approved by Big Sky County Water & Sewer. A traffic impact study shows that the proposed development will generate less than 500 average trips per day. A parking analysis study has been prepared. All refuse for this project is reported to be stored in animal-proof containers. It is reported that no naturally occurring slope of more than 15 percent exists on this site. There are no other known local, county, state, or federal environmental management plans that would impact this project development. The proposed project and associated development is expected to be in conformance with current Gallatin County zoning requirements.</p>
13. <u>TRANSPORTATION:</u> Will the project affect local transportation networks and traffic flow?		X				<p>This project is expected to affect immediately adjacent local transportation networks. Increased resort and recreational traffic will occur near and on the proposed site.</p>

PUBLIC INVOLVEMENT: The department has attempted to identify parties who may be interested in this proposed project and to provide the opportunity for public comment. A copy of this Environmental Assessment has been posted on our website at <http://deg.mt.gov/Land/ust/ea> . Substantive comment may be provided to our email address at degustprogram@mt.gov.

ALTERNATIVES CONSIDERED: No other alternatives were presented or considered.

COMPLIANCE STATUS: This project, as permitted, will be in compliance with the UST regulations. The facility must, however, be operated and maintained in accordance with the UST rules and regulations. This facility is required to have a compliance inspection done within 120 days of the installation of the tank systems.

RECOMMENDATIONS CONCERNING PREPARATION OF AN EIS: Not necessary at this time, based upon the information reviewed. The project, as proposed with mandatory operating and permit conditions, will not have a significant environmental impact.

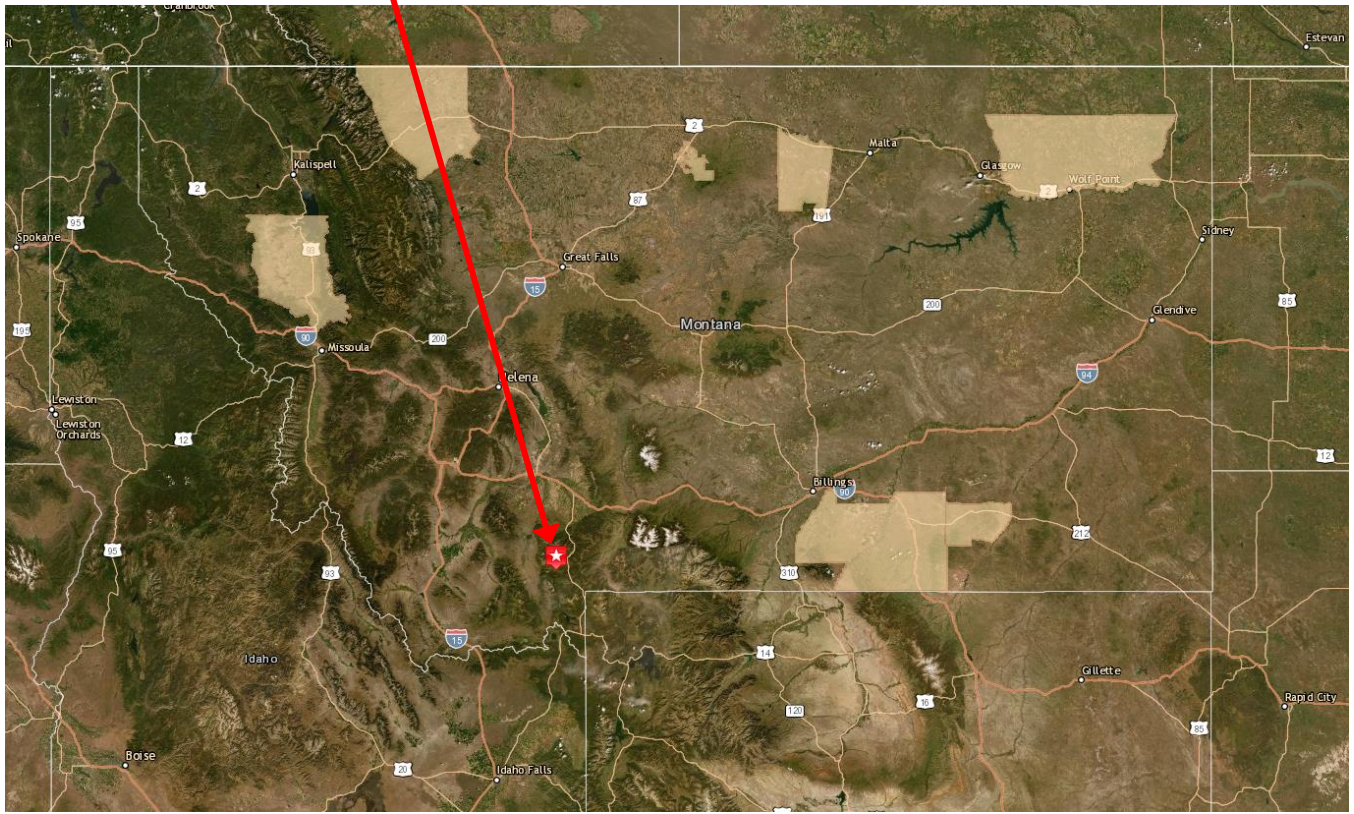
OTHER GROUPS OR AGENCIES CONTACTED OR WHICH MAY HAVE OVERLAPPING JURISDICTION: The Montana Department of Natural Resources and Conservation, The Montana Department of Justice, and the State Fire Marshall's Office.

INDIVIDUALS OR GROUPS CONTRIBUTING TO THIS EA: The owner, the contractor, and the preparer of this EA.

PERMIT CONDITION EFFECTS: Permit conditions are based on Montana and federal regulations, PEI RP100-2000 and accepted standard engineering practices.

cc: Governor's Office
Legislative Environmental Policy Office

General Location of Project Site:



Detailed Project Site Location: Proposed Spanish Peaks Lodge Site



Proposed Project Site Physical Address: 995 Settlement Trail, Big Sky, MT 59716

Close-up Project Site Location: Proposed Spanish Peaks Lodge Site



Proposed Project Site Physical Address: 995 Settlement Trail, Big Sky, MT 59716

Gallatin County Zoning map: Spanish Peaks Resort Subdivision, Phase 2

